

HOUSE BILL No. 1620

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property tax replacement fee. Establishes an annual property tax replacement fee on any parcel receiving assessed value deductions or property tax credits that reduce the annual property tax liability on the parcel to less than \$100. Provides that the minimum annual amount due in property taxes and the property tax replacement fee per parcel is \$100. Changes from \$25 to \$100 the amount for requiring the payment of property taxes and the property tax replacement fee in one installment. Eliminates the \$5 minimum property tax statement processing fee.

Effective: January 1, 2016.

Rhoads, Karickhoff

January 22, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1620

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-7-7, AS AMENDED BY P.L.3-2008,
2 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 7. (a) The owner of a mobile home on the
4 assessment date of a year is liable for the taxes imposed upon the
5 mobile home for that year. Except as provided in subsection (b), the
6 owner shall pay the taxes in two (2) equal, semi-annual installments.
7 These semi-annual installments are due on May 10 and November 10
8 of the year of assessment.
9 (b) A county council may adopt an ordinance to require an owner to
10 pay **his the owner's** property tax liability **and property tax**
11 **replacement fee** for ~~his the owner's~~ mobile home in one (1)
12 installment, if the tax liability **plus property tax replacement fee** for
13 a particular year is ~~less than twenty-five dollars (\$25): one hundred~~
14 **dollars (\$100) or less.** If the county council has adopted such an
15 ordinance, then whenever a tax statement mailed under IC 6-1.1-22-8.1



shows that an owner's property tax liability **and property tax replacement fee** for a particular year for a mobile home is ~~less than twenty-five dollars (\$25)~~, **one hundred dollars (\$100) or less**, the owner shall pay the entire tax liability **and property tax replacement fee** for the mobile home for that year on May 10 of that year.

SECTION 2. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.113-2010, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 8.5. (a) This section applies to an individual who:

(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year);
 (2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;

(3) is or will be at least sixty-five (65) years of age on or before December 31 of the calendar year immediately preceding the current calendar year; and

(4) had:

(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars (\$30,000); or

(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars (\$40,000);

for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.

(b) This section does not apply if the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least one hundred sixty thousand dollars (\$160,000).

(c) An individual is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead if:

(1) the individual and the homestead qualify for the credit under subsection (a) for the calendar year;

(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and



(3) the filing requirements under subsection (e) are met.

(d) **If the annual property tax liability first due and payable on the qualified homestead property is one hundred dollars (\$100) or less for the immediately preceding year after the application of the credit granted under this section for that year, the credit is the amount by which the property tax liability first due and payable on the homestead property for the calendar year exceeds one hundred dollars (\$100). If the property tax liability first due and payable on the qualified homestead property for the immediately preceding year after the application of the credit granted under this section for that year is greater than one hundred dollars (\$100), the amount of the credit is equal to the greater of zero (0) or the result of:**

(1) the property tax liability first due and payable on the homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year after the application of the credit granted under this section for that year; multiplied by

(B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

SECTION 3. IC 6-1.1-22-9, AS AMENDED BY P.L.218-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 9. (a) Except as provided in subsection (b), the property taxes assessed for a year under this article are due in two



(2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- (3) IC 6-1.1-7-7.
- (4) Section 9.5 of this chapter.
- (5) Section 9.7 of this chapter.
- (6) Section 9.9 of this chapter.

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability **and property tax replacement fee** in one (1) installment, if the tax liability **plus any property tax replacement fee** for a particular year is ~~less than twenty-five dollars (\$25)~~ **one hundred dollars (\$100) or less**. If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability **and property tax replacement fee** for a year is ~~less than twenty-five dollars (\$25)~~ **one hundred dollars (\$100) or less** for the property covered by that statement, the tax liability **and property tax replacement fee** for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(d) before the county treasurer mails or transmits statements under section 8.1 of this chapter, the county treasurer may:

- (1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or
- (2) delay the mailing or transmission of statements under section 8.1 of this chapter so that:
 - (A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and
 - (B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

- (1) the total amount due for the year;
- (2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(d) by the



department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, ~~a~~ **if the annual** property tax liability ~~of on any parcel receiving assessed value deductions under this article or property tax credits under any other law~~ is less than ~~five one hundred dollars (\$5) (\$100), including when a zero dollar (\$0) amount is due, is increased to five~~ **the county treasurer shall collect a property tax replacement fee equal to dollars (\$5):** the difference between the actual liability and ~~the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability: one hundred dollars (\$100). The revenue from the fee shall be allocated in the same manner and at the same time as property taxes.~~

(h) This subsection applies only if a statement for payment of property taxes and special assessments by electronic mail is transmitted to a person under section 8.1(h) of this chapter. If a response to the transmission of electronic mail to a person indicates that the electronic mail was not received, the county treasurer shall mail to the person a hard copy of the statement in the manner required by section 8.1(a) of this chapter for persons who do not opt to receive statements by electronic mail. The due date for the property taxes and special assessments under a statement mailed to a person under this subsection is the due date indicated in the statement transmitted to the person by electronic mail.

(i) In a county in which an authorizing ordinance is adopted under section 8.1(h) of this chapter, a person may direct the county treasurer to transmit a reconciling statement under subsection (d)(1) by electronic mail under section 8.1(h) of this chapter.

